

SENATE BILL REPORT

SJM 8015

As Passed Senate, March 18, 2003

Brief Description: Petitioning Congress to adopt procedures for selling wheat reserves that preserve the integrity of the market.

Sponsors: Senators Sheahan, Hale and Rasmussen.

Brief History:

Committee Activity: Agriculture: 2/27/03 [DP].

Passed Senate: 3/18/03, 48-0.

SENATE COMMITTEE ON AGRICULTURE

Majority Report: Do pass.

Signed by Senators Swecker, Chair; Brandland, Vice Chair; Jacobsen, Rasmussen and Sheahan.

Staff: Bob Lee (786-7404)

Background: Wheat is an important commodity grown in Washington State. Wheat prices are sensitive to actions of releasing significant quantities of wheat from federally held reserves.

Summary of Bill: The federal government is urged to establish new procedures to assure that future sales of wheat stocks from federally held grain reserves be conducted in a manner that will not unduly disrupt the market while also fulfilling the original intent of providing for emergency humanitarian food needs in developing countries.

Appropriation: None.

Fiscal Note: Not requested.

Testimony For: The sale of wheat by USDA from federal wheat reserves was a surprise and had a dramatic impact on the current year's wheat price. The procedures used by USDA to sell wheat needs to be reviewed at the national level. Instead of selling wheat to obtain money to provide emergency food aid to developing countries, the wheat itself should be provided. The way the wheat sale was conducted resulted in a disproportionate impact to country elevators for the wheat they store.

Testimony Against: None.

Testified: Thomas Mick, WA Wheat Commission (pro); Jeff Entman WA Assn. of Wheat Growers (pro).